

Public Chapter 335

HOUSE BILL NO. 339

By Representatives Rhinehart, Bone

Substituted for: Senate Bill No. 303

By Senator Rochelle

AN ACT to amend Tennessee Code Annotated, Title 12, Chapter 3, Part 10, relative to purchasing by local governmental units.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 12-3-1001, is amended by adding the following new subsection:

(c) Where any local or private act, charter, or general law requires that a local governmental unit purchase by competitive bidding, the local unit of government may, notwithstanding the local or private act, charter, or general law, purchase, without public advertisement or competitive bidding, any item from local sources if such item is available for purchase under the provisions of contracts or price agreements entered into by the department and such item is available at the same or lower cost from such local sources. This subsection shall apply only in cases where the local governmental entity is not permitted to purchase from an existing contract established by the department. Any item purchased locally must be of equal or better specifications than the item under the competitive bid contract.

SECTION 2. The provisions of this act shall not apply in counties having a population in excess of eight hundred thousand (800,000), according to the 1990 Federal Census or any subsequent Federal Census.

SECTION 3. The provisions of this act shall not apply in any county having a metropolitan form of government and a population in excess of five hundred thousand (500,000), according to the 1990 Federal Census or any subsequent Federal Census.

SECTION 4. The provisions of this act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Local Legislative Body and such approval is filed with the Comptroller of the Treasury.

SECTION 5. The provisions of this act shall be permissive relative to sellers of motor vehicles.

SECTION 6. The Legislative Body of a county by resolution and a municipality by ordinance may establish and adopt a program to encourage participation in government purchasing programs by minority-owned businesses. Such programs may include set-aside provisions which conform to federal law.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.